

DEPARTMENT OF LIVESTOCK



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STATE OF MONTANA

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BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(3)

CLASS I PRICE FOR MILK TESTING 3.5%

\$19.39 /CWT

EFFECTIVE JANUARY 1, 1999:

The minimum price to pay milk producers, under ARM 32.24.301, is **\$19.39** per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of thirteen and one-half cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.35.

CLASS I BUTTERFAT PRICE PER POUND

\$1.35 /LB

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(4)

CLASS II PRICE FOR MILK TESTING 3.5%

\$12.88 /CWT

Average spray process dry milk solids

price per pound = **\$1.13880**
Multiplied by 8.2 x **8.2**

\$9.33816

PLUS +

Last quote of the month for Grade AA butter

minus a differential of \$.0895 **\$1.12800**
Multiplied by 4.2 x **4.2**

\$4.73760

+ \$4.73760

LESS 8.5% (**\$14.07576 X .085**)

\$14.07576

- \$1.19644

\$12.87932

Rounded to the nearest whole cent = **\$12.88 /hundredweight.**

STATE DOCUMENTS COLLECTION

MONTANA STATE LIBRARY
1015 E. GOULD
HELENA, MONTANA 59601

PLEASE RETURN

CLASS II BUTTERFAT PRICE PER POUND **\$1.25 /LB**

Butterfat differential	(\$1.12800	X .111)	=	\$0.12521
Rounded to the nearest half cent				=	\$0.125

CLASS II VALUE OF ONE POUND OF SKIM **0.088134715 /LB**

Butterfat value per pound	=	\$1.25	
for milk at 3.5% test:			
Hundredweight price of milk testing 3.5%			= \$12.88
LESS 3.5 pounds of butterfat at	\$1.25	per pound	- \$4.375
Value of 96.5 pounds of skim			= \$8.505
Value of one pound of skim	(8.505 / 96.5 pounds)	= \$0.08813 /LB

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS III BUTTERFAT PRICE PER POUND **\$1.02 /LB**

Last quote of the month for Grade AA butter		
minus a difference of \$.0895	=	\$1.12800
LESS 10%	-	\$0.11280
		\$1.01520

Rounded to the nearest whole cent	=	\$1.02	per pound.
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CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED **7.75067 /CWT**

Avg. spray process dry milk solid price/lb =	\$1.13880
Multiplied by 8.2	8.2
	\$9.33816
LESS 17%	\$1.58749
	\$7.75067

Rounded to the nearest whole cent	=	\$7.75	per hundredweight.
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CLASS III PRICE PER CWT FOR MILK TESTING 3.5% **\$11.05 /CWT**

3.5 pounds of butterfat	x	\$1.02	per pound =	\$3.570
96.5 pounds of skim		\$0.07751	per pound =	\$7.480

\$11.050 /CWT**BY ORDER OF THE MONTANA MILK CONTROL BUREAU**

Compiled by:

Marilys M. Koontz
 Marilys M. Koontz, Program Specialist
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$19.39 FOR 3.5% MILK 96.5 LBS = \$14.665		CLASS II SKIM PRICE BASED ON \$12.88 FOR 3.5% MILK 96.5 LBS = \$8.505		CLASS III SKIM PRICE BASED ON \$11.05 FOR 3.5% MILK 96.5 LBS = \$7.480	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.15041	2.50	\$0.08723	2.50	\$0.07672
2.55	\$0.15049	2.55	\$0.08728	2.55	\$0.07675
2.60	\$0.15056	2.60	\$0.08732	2.60	\$0.07679
2.65	\$0.15064	2.65	\$0.08737	2.65	\$0.07683
2.70	\$0.15072	2.70	\$0.08741	2.70	\$0.07687
2.75	\$0.15080	2.75	\$0.08746	2.75	\$0.07691
2.80	\$0.15087	2.80	\$0.08750	2.80	\$0.07695
2.85	\$0.15095	2.85	\$0.08755	2.85	\$0.07699
2.90	\$0.15103	2.90	\$0.08759	2.90	\$0.07703
2.95	\$0.15111	2.95	\$0.08764	2.95	\$0.07707
3.00	\$0.15119	3.00	\$0.08768	3.00	\$0.07711
3.05	\$0.15126	3.05	\$0.08773	3.05	\$0.07715
3.10	\$0.15134	3.10	\$0.08777	3.10	\$0.07719
3.15	\$0.15142	3.15	\$0.08782	3.15	\$0.07723
3.20	\$0.15150	3.20	\$0.08786	3.20	\$0.07727
3.25	\$0.15158	3.25	\$0.08791	3.25	\$0.07731
3.30	\$0.15165	3.30	\$0.08795	3.30	\$0.07735
3.35	\$0.15173	3.35	\$0.08800	3.35	\$0.07739
3.40	\$0.15181	3.40	\$0.08804	3.40	\$0.07743
3.45	\$0.15189	3.45	\$0.08809	3.45	\$0.07747
3.50	\$0.15197	3.50	\$0.08813	3.50	\$0.07751
3.55	\$0.15205	3.55	\$0.08818	3.55	\$0.07755
3.60	\$0.15213	3.60	\$0.08823	3.60	\$0.07759
3.65	\$0.15221	3.65	\$0.08827	3.65	\$0.07763
3.70	\$0.15228	3.70	\$0.08832	3.70	\$0.07767
3.75	\$0.15236	3.75	\$0.08836	3.75	\$0.07771
3.80	\$0.15244	3.80	\$0.08841	3.80	\$0.07775
3.85	\$0.15252	3.85	\$0.08846	3.85	\$0.07779
3.90	\$0.15260	3.90	\$0.08850	3.90	\$0.07783
3.95	\$0.15268	3.95	\$0.08855	3.95	\$0.07787
4.00	\$0.15276	4.00	\$0.08859	4.00	\$0.07791
4.05	\$0.15284	4.05	\$0.08864	4.05	\$0.07795
4.10	\$0.15292	4.10	\$0.08869	4.10	\$0.07799
4.15	\$0.15300	4.15	\$0.08873	4.15	\$0.07804
4.20	\$0.15308	4.20	\$0.08878	4.20	\$0.07808
4.25	\$0.15316	4.25	\$0.08883	4.25	\$0.07812
4.30	\$0.15324	4.30	\$0.08887	4.30	\$0.07816
4.35	\$0.15332	4.35	\$0.08892	4.35	\$0.07820
4.40	\$0.15340	4.40	\$0.08896	4.40	\$0.07824
4.45	\$0.15348	4.45	\$0.08901	4.45	\$0.07828
4.50	\$0.15356	4.50	\$0.08906	4.50	\$0.07832

PRODUCER CLASS I PRICE IN MONTANA

Comparison of Class I price in 1997 & 1998

MONTANA MILK CONTROL BUREAU

Month	1997	1998	Difference	% Change
January	\$15.51	19.39	\$3.88	25.02%
February	\$15.84			
March	\$15.80			
April	\$15.87			
May	\$15.36			
June	\$14.56			
July	\$13.43			
August	\$15.65			
September	\$17.32			
October	\$17.54			
November	\$17.65			
December	\$18.59			
Average	\$16.09	\$19.39	\$3.88	25.02%

PRODUCER CLASS I PRICE IN MONTANA

Comparison of class I price in 1997 & 1998

